

## MDHHS-WICVendor

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**From:** MDHHS-WICVendor  
**Sent:** Wednesday, September 27, 2023 3:29 PM  
**Subject:** On-site Audits: Updated WIC Vendor Policy 5.04, Effective October 1, 2023  
**Attachments:** 5.04\_Inventory Audits\_10.01.2023.pdf; 5.04A\_On-Site Audit Report.dotx; 5.04B\_Record Summary form.dotx

Dear WIC Vendor,

The Michigan WIC Program is excited to share updates to MI-WIC Vendor Policy 5.04 Inventory Audits. Of note, Michigan WIC may now conduct a portion of an inventory audit on-site in your store.

During an on-site audit, a Michigan WIC staff person will come to your store and count all available units (on shelves and in storage) of the WIC item(s) selected for audit. Someone in your store will be required to verify the accuracy of the documented count at the end of the visit. If an on-site audit occurs at your store, it will be followed with a standard desk audit, including vendor submission of all available purchase records for the specified WIC products.

On-site audits will begin as early as October 1, 2023, so please share this important information with your staff. The updated policy, On-Site Audit Report (new) and Invoice Summary Log are attached for your review. Below is a detailed list of the changes:

POLICY SECTION	CHANGES
Purpose	Added wording: "including differentiating between desk and on-site audits."
Definitions	<p>New Definitions</p> <ul style="list-style-type: none"><li>• Audit Period</li><li>• Desk Audit</li><li>• On-site Audit</li><li>• Purchase records</li></ul> <p>Updated Definition</p> <ul style="list-style-type: none"><li>• Inventory Audit</li></ul>
Section A, Item 1, subitems a-c	<p>Added new policy subitem clauses including:</p> <ol style="list-style-type: none"><li>Vendors are selected for inventory audits based on the High-Risk Indicator Report, as well as complaints or referrals. (See Policy 5.02 High-Risk Vendor Identification and Policy 5.06 Vendor Complaints.)</li><li>The inventory audit conducted will either be a desk audit, or an on-site audit as described in Paragraph 8 below. The type of audit to be conducted will be determined by the Department's discretion.</li><li>All WIC-approved foods are subject to be audited.</li></ol>

Section A, Item 6	Substitution <ul style="list-style-type: none"> <li>“Vendor will receive a <i>monetary claim</i> with a chance to justify and correct the discrepancy” replaced with “Vendor will receive a <i>Notice of Inventory Discrepancy...</i>”</li> </ul> Revision <ul style="list-style-type: none"> <li>“Vendor <i>may</i> receive a monetary claim...”</li> </ul>
Section A, Item 8	New policy clause added to outline the on-site audit process and define the responsibilities of the Vendor and representatives of the Michigan WIC Program.
References	Added Federal Regulations Code “7 CFR 246.12(j)(4)(i).”
Cross-references	Added <ul style="list-style-type: none"> <li>Policy 5.02, High Risk Vendor Identification</li> <li>Added 5.06, Vendor Complaints</li> </ul>
Exhibits	Added <ul style="list-style-type: none"> <li>5.04A, On-Site Inventory Audit Report</li> <li>5.04B, Invoice Summary Log</li> </ul>

If you have questions, please email our office at [MDHHS-WICVendor@michigan.gov](mailto:MDHHS-WICVendor@michigan.gov).

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